

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

July 20, 2001

IN RE:)	
)	
BELLSOUTH TELECOMMUNICATIONS, INC.)	DOCKET NO. 01-00396
TARIFF TO OFFER CONTRACT SERVICE)	
ARRANGEMENT (TN99-5475-00))	

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN99-5475-00)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on May 15, 2001 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN99-5475-00 ("CSA"). BellSouth filed Tariff No. 01-00396 on May 1, 2001, with a proposed effective date of May 31, 2001.

Based upon careful consideration of the tariff filing and the attachments thereto, the Authority made the following findings and conclusions:

1. The purpose of this CSA is to provide the customer identified in the filing with Aggregated WatsSaver service and Option Toll Free Dialing Add-On service. Aggregated WatsSaver service provides business customers with a guaranteed per minute toll rate that is based upon the customer's commitment to certain volume of toll usage, and Option Toll Free Dialing Add-On service allows for intra-LATA or intrastate toll free dialing service.

2. The term of this CSA is thirty-six (36) months.

3. Through this CSA, BellSouth is offering the customer a forty-four and nine-tenths percent (44.9%) discount on intralata toll rates such that the CSA provides for a rate of \$0.049 per minute for both services.

4. BellSouth provided an addendum executed by the customer setting forth the applicable termination charges as follows: “the lesser of (A) the sum of the repayment of discounts received during the previous 12 months of the service or (B) six percent (6%) of the total Agreement amount.” This language imposes the same limitations as the termination liability limitation language adopted by the Directors in Docket No. 00-00720.¹

5. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth’s damages in the event of termination.

6. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

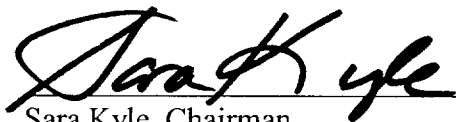
7. No parties sought to intervene in this docket.

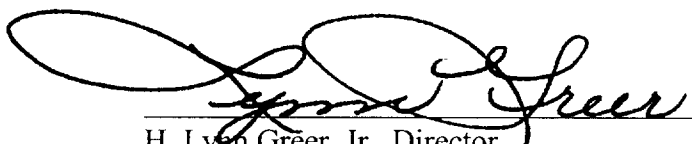
Based upon the foregoing, the Directors of the Authority unanimously determined that the CSA in this docket should be granted.

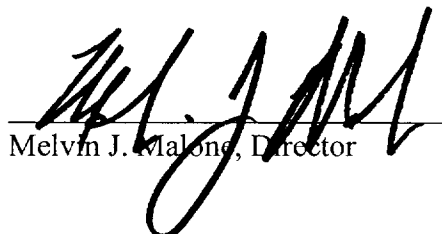
¹ See *In re: BellSouth Telecommunications, Inc.’s Tariff for Contract Service Arrangement (MS 99-8999-00)*, Docket No. 00-00720, *Order Granting Approval of BellSouth Contract Service Arrangement (MS 99-8999-00)*, p. 3 (Dec. 4, 2000). In Docket No. 00-00720, the Authority approved a CSA contingent upon BellSouth notifying the customer of certain termination liability limitations. During the January 23, 2001 Authority Conference, it was established that where the termination liability limitation language appears in the CSA or addendum thereto, BellSouth is not required to provide additional notification to the customer upon approval of the CSA by the Authority. With its filing, BellSouth will provide information to the Authority regarding the existence of such language in the CSA or addendum thereto. See Transcript of Proceedings, Jan. 23, 2001, pp. 10-14 (Authority Conference).

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 01-00396, which seeks approval of Contract Service Arrangement No. TN99-5475-00, is hereby granted.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary